# GOVERNMENT OF INDIA
# AGRICULTURE
# LOK SABHA

UNSTARRED QUESTION NO:850
ANSWERED ON:06.12.2004
INSURANCE POLICIES OF AP FARMERS LAPSED DUE TO DROUGHT
Purandeswari Smt. Daggubati

**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether the Government is aware that more than five lakhs insurance policies of Andhra Pradesh (AP) farmers lapsed as they were unable to pay premium on account of drought during the last three years (April, 2001 to March, 2004);

(b) if so, the approximate loss incurred by the policy holders during the said period; and

(c) the measures proposed to be taken by the Government to help the affected farmers?

## Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b): As per available information, 421124 insurance policies for the sum insured amounting to Rs.2810.78 crores in Rural Andhra Pradesh have been lapsed during the period 2001 to 2004 due to discontinuance of payment of premium in the initial period of three years.

(c): In order to safeguard the interests of the policy holders, following steps are taken to prevent the lapsation of policies:

- Life Insurance Corporation of India (LIC) sends regular premium notices to policy holders before the due date.
- In case premium remains unpaid, default notice is sent after 3 months.
- Continuous revival quotations are periodically sent, if the premium still remains unpaid.
- Special Revival Campaign is generally carried out once in a year where concessions in interest on premium is offered, subject to certain conditions. Apart from sending intimation individually to the policy holders, wide publicity is given to such campaigns.
- List of lapsed policies is also supplied to the concerned agents and Development Officers to follow up the policy holders.
- A specially designed policy namely, New Jana Raksha has been designed for the rural population where full cover is available for a period of three years from the first unpaid premiums due date provided premiums have been paid under the policy for atleast two year.